

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

|   |   |                      |
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| In the Matter of                              | ) |                      |
|   | ) |                      |
| Federal-State Joint Board on                  | ) | CC Docket No. 96-45  |
| Universal Service                             | ) |                      |
|   | ) |                      |
| 1998 Biennial Regulatory Review –             | ) | CC Docket No. 98-171 |
| Streamlined Contributor Reporting             | ) |                      |
| Requirements Associated with Administration   | ) |                      |
| of Telecommunications Relay Service, North    | ) |                      |
| American Numbering Plan, Local Number         | ) |                      |
| Portability, and Universal Service Support    | ) |                      |
| Mechanisms                                    | ) |                      |
|   | ) |                      |
| Telecommunications Services for Individuals   | ) | CC Docket No. 90-571 |
| with Hearing and Speech Disabilities, and the | ) |                      |
| Americans with Disabilities Act of 1990       | ) |                      |
|   | ) |                      |
| Administration of the North American          | ) | CC Docket No. 92-237 |
| Numbering Plan and North American             | ) | NSD File No. L-00-72 |
| Numbering Plan Cost Recovery Contribution     | ) |                      |
| Factor and Fund Size                          | ) |                      |
|   | ) |                      |
| Number Resource Optimization                  | ) | CC Docket No. 99-200 |
|   | ) |                      |
| Telephone Number Portability                  | ) | CC Docket No. 95-116 |
|   | ) |                      |
| Truth-in-Billing and Billing Format           | ) | CC Docket No. 98-170 |

**COMMENTS OF ACUTA**

ACUTA, Inc.: The Association for Communications Technology Professionals in Higher Education (“ACUTA”) respectfully submits these comments in response to the Federal Communications Commission’s (“FCC’s” or “Commission’s”) *Second Further Notice of Proposed Rulemaking* in the above-captioned proceedings. ACUTA is a non-profit association whose members include over 820 institutions worldwide, including 797 within the United States. ACUTA members include both large and small non-profit institutions of higher education, ranging from institutions with several hundred students to major research and teaching institutions with greater than 25,000 students. ACUTA member representatives are responsible for managing telecommunications services on college and university campuses. In that capacity, ACUTA members provide telecommunications services to students in their residence halls and other campus-owned housing.

ACUTA is encouraged by the Commission's continued effort to "adopt[] a contribution methodology that will ensure the continued viability of universal service as the marketplace continues to evolve"<sup>1</sup> and its commitment to fully evaluate "the potential impacts on contributors, and ultimately, consumers, of the various proposals."<sup>2</sup> ACUTA limits its initial comments to three particular aspects of the proposals that could have a damaging impact on colleges and universities: (1) the treatment of non-profit multi-line businesses; (2) the proposed utilization of "assigned" numbers; and (3) the continued unchecked growth of the universal service fund.

**The Unknown Impact on Non-Profit Multi-Line Businesses:** Multi-line businesses are not all Fortune 500 companies, able to shoulder increased universal service contributions. Many ACUTA members are classified as multi-line business users,<sup>3</sup> as are hospitals, governmental agencies, and other large, non-profit telecommunications users. ACUTA is concerned that under the connection-based proposals these non-profit multi-line businesses would have to "cover [the] residual funding requirements"<sup>4</sup> of the program, which could escalate costs in already tight campus budgets. Similarly, ACUTA is apprehensive about the proposed tier structure in the connection-based proposals (at ¶¶ 81, 87) and is eager to review the projected costs of higher capacity services under these plans.<sup>5</sup> ACUTA agrees with the Commission that the tiered approach cannot be structured (whether it is 4 or 14 tiers) in a manner that "deter[s] some multi-line business customers from purchasing certain thresholds of additional capacity."<sup>6</sup> The unique educational need of colleges and universities for additional telecommunications capacity should not be circumscribed by regulatory fiat.

**The Use of Assigned Numbers is Problematic:** The Commission has proposed a number-based proposal which would assess universal service contributions based on all "assigned" telephone numbers.<sup>7</sup> Currently, a telephone number is "assigned" if it is "working"

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<sup>1</sup> *Federal-State Joint Board on Universal Service*, Report and Order and Second Further Notice of Proposed Rulemaking, FCC 02-329 at ¶ 6 (Dec. 13, 2002) ("*Order and NPRM*"); see also *id.* at ¶ 100 ("[W]e also seek comment on the impact of this proposal on different categories of customers.").

<sup>2</sup> *Id.* at ¶ 72.

<sup>3</sup> Some ACUTA members are classified as residential customers based on various state classifications of telecommunications services provided to students in campus housing.

<sup>4</sup> *Order and NPRM* at ¶ 75. ACUTA is equally concerned that colleges and universities' obligations could grow unchecked each quarter. See *id.* at ¶ 77 ("[A]ssessment levels for multi-line business connections could be adjusted quarterly to account for fluctuations in demand on the fund and the number and capacity of connections.").

<sup>5</sup> *Order and NPRM* at ¶ 81.

<sup>6</sup> *Id.* at ¶ 83.

<sup>7</sup> Assigned numbers are defined in the NPRM as "numbers working in the public switched telephone network under an agreement such as a contract or tariff at the request of specific end users or customers for their use..." *Order and NPRM* at ¶ 96, fn 198.

for “a minimum of 90 days during each calendar year in which they are assigned to a particular customer.”<sup>8</sup> Similarly, complete blocks of numbers used in Centrex and PBX systems are “assigned” if only fifty percent of such numbers are “working.”<sup>9</sup> Thus, all campus-wide numbers are “assigned,” including numbers that are not “working” between semesters or those that are designated for future campus use. By assessing **all** campus numbers, the current proposal would have a destructive impact on colleges and universities. ACUTA is somewhat relieved that the Commission has asked about the plan’s impact on seasonal-use/cyclical telephone users (at ¶ 97) as well as the impact on Centrex and PBX systems (at ¶ 97). The impact would be staggering. Campus leaders would be forced to make tough decisions as to how campus telecommunications were structured, potentially endangering public safety, community and educational goals. For instance, permanent dormitory room numbers “allow[] for calling locations to be identified in order to facilitate implementation of E911 systems.”<sup>10</sup> Any numbers-based proposal (whether based on “assigned” or “working” numbers) must take into account the crucial need for colleges and universities to maintain banks of numbers year-round. It is neither financially nor socially tenable to demand that colleges and universities contribute monies based on “assigned” but non-“working” numbers, which are earmarked for future campus priorities.

**The Runaway Growth of the Universal Service Fund Must be Addressed:** While ACUTA remains fully committed to the laudable goals of the universal service program, it has become increasingly concerned at the seemingly unchecked growth of the universal service fund. To that end, ACUTA strongly cautions that any further modification to the contribution methodology should not result in further increases in the overall size of the fund.<sup>11</sup>

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<sup>8</sup> Numbering Resource Optimization, Third Report and Order and Second Order on Reconsideration in CC Docket No. 96-98 and CC Docket No. 99-200, FCC 01-362 at ¶ 122 (Dec. 12, 2001) (“Numbering Optimization Order”).

<sup>9</sup> *Id.* Thus, if 50 of 100 numbers in a Centrex block are “working,” all 100 numbers are “assigned.” Assessments based on assigned rather than working numbers would double the contribution owed in this example.

<sup>10</sup> Numbering Optimization Order at ¶ 120.

<sup>11</sup> *See Federal-State Joint Board on Universal Service: Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, 2001 FCC LEXIS 4953 (May 23, 2001) (Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking) (“Thus, in crafting universal service policies and programs, the Commission must strike a fair and reasonable balance among the goals and principles of the Act, and consider both the adequacy of support and the burden on contributors.”); *see also Alenco Communications, Inc. et al. v. FCC, et al.*, 201 F.3d 608, 620 (4<sup>th</sup> Cir. 2000) (“Moreover, excessive funding may itself violate the sufficiency requirements of the Act. Because universal service is funded by a general pool subsidized by all telecommunications providers—and thus indirectly by the customers—excess subsidization in some cases may detract from universal service by causing rates unnecessarily to rise, thereby pricing some consumers out of the market.”).

## **Conclusion**

In reforming its contribution methodology, the Commission must ensure that it does not threaten colleges and universities' ability to provide the necessary level of public safety and educational services.

Respectfully Submitted,

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On behalf of ACUTA

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